

# GALLATIN COUNTY CAPITAL IMPROVEMENT PLAN

---

## SECTION 1: CAPITAL IMPROVEMENT PROGRAM OVERVIEW:

As Gallatin County continues to experience rapid growth, there is increasing pressure to maintain an acceptable level of public services to the taxpayers and residents.

The County's capacity to provide needed public facilities and related services is directly dependent on the decisions made by the County Commission to fund, build and maintain these public services and the facilities that accommodate them. Such decisions implement the Gallatin County Mission Statement, whereby the County Commission commits to:

*"Provide cost-effective services, visionary leadership and responsive policies for our diverse residents."*

This County Mission Statement is reflected in the adopted County Growth Policy, which provides a strategy for development, maintenance and replacement of public infrastructure and facilities.

"According to state law, the County Commission, Planning Board and any other governing body must be guided by and give consideration to the general policy and pattern of development set out in the Growth Policy in the:

- Authorization, construction, alteration, or abandonment of public ways, public places, public structures, or public utilities..." (Growth Policy, Section 8).

A key part of implementing the County Mission Statement involves the **Capital Improvement Program (CIP)**. The CIP consists of an on-going capital improvement planning and budgeting process by the County Commission. The County formally adopted a CIP by Resolution No. 2002-031 on March 12, 2002; consistent with Montana Code Annotated, Section 7-6-616.

The County Commission is advised by an appointed Capital Improvement Program Committee (CIPC) that is tasked with the responsibility of reviewing annual capital project requests for funding, updating the Five-Year CIP Plan, and with recommending approval of a fiscal year capital budget. In addition, they review the Facilities Condition Inventory (FCI) of all current County facilities to help identify future needs for remodeling, replacement and/or new construction. (See Section 8, CIPC Bylaws, for a more detailed description of their role and responsibilities.)

A critical function of the CIPC is the annual evaluation of capital project requests submitted by County officials and department heads. This evaluation utilizes criteria that assign priorities based upon County Commission goals and objectives.

The FY 09 County Budget Goals are:

- *Maintain public health, safety and welfare as a high priority, as required and allowed under state statute and documented public demand, consistent with performance measurements;*
- *Improve and enhance the efficiency, effectiveness and productivity of every County Function through budget administration and performance management;*
- *Continue to improve the Criminal Justice System including pursuit of a new Detention Center;*
- *Improve and maintain County Infrastructure by dedicating additional property tax revenues from new construction to Capital Projects;*
- *Ensure that needed transportation infrastructure system are maintained and enhanced;*
- *Keep budget structurally balanced by maintaining current operation reserve percentages;*
- *Demonstrate a strong Commitment to Employee Retention through funding of needed wage and/or benefit;*
- *Improve management, accountability, and oversight to reduce county risk; and*
- *Exhibit commitment to implementing the Growth Policy.*

A weighting process is used to rank potential capital projects consistent with these criteria.

The recommendations of the CIPC are submitted to the County Commission as part of the annual fiscal year budget process. As such, they are part of the County budget proposal that is adopted by the County Commission after public hearings.

The components of the **Capital Improvement Program (CIP)** may be defined as follows:

**Capital improvement or project:** A project including construction, remodeling, expansion or leasing of facilities; purchase, improvement and development of land; acquisition of operating equipment and machinery; planning and engineering costs related to specific capital improvements; and road and bridge construction, reconstruction, resurfacing or renovation. Such a project involves an estimated cost of at least \$ 50,000 in aggregate and a projected usable life span of at least five years.

**Capital Budget:** A list of capital improvement projects that have been approved and funded by the County Commission. It is a part of the adopted fiscal year County budget.

**Capital Improvement Plan:** A five-year plan describing current fiscal year capital improvement projects funded as part of the fiscal year budget, plus projected capital projects for the ensuing four years.

The Plan includes projected funding needs and recommends potential funding sources, as well as a schedule for implementation. It is reviewed and updated annually as part of the County fiscal year budget process.

**Operating budget item:** As distinguished from the capital budget, includes improvements to County facilities that have an estimated cost of less than \$ 50,000 or a useful life of less than five years, are not subject to CIPC review. These typically include

re-carpeting, graveling of parking lots, replacement of mechanical and/or electrical equipment, etc.

**Capital Improvements Program Committee:** A nine-member advisory committee appointed by the County Commission. Their mission is to implement the County Capital Improvement Plan and their tasks include: identification of capital facility deficiencies; support public awareness concerning facility needs; and formulation of recommended policies, projects and plans (Capital Improvement Plan).

It consists of seven citizen volunteers, an elected County official, a County department head, and a liaison member (non-voting) from the Commission. Members are appointed for a two-year term. The term of three citizen members expires on July 31 of odd-numbered years, and the term of the remaining four citizen members expires on July 31 of even-numbered years. The elected official term expires on July 31 of odd-numbered years; the department head term expires on July 31 of even-numbered years.

**Facilities Condition Inventory (FCI):** A detailed, comprehensive inventory of existing County facilities that evaluates physical conditions, compliance with required codes and regulations, and recommended actions to resolve identified deficiencies.

**Total Cost of Ownership** – The CIPC will evaluate projects using common facility management and investment analysis methods, recognizing that the first cost of a capital investment may not result in the lowest overall total cost. Where deemed appropriate by the CIPC, Total Cost of Ownership shall be utilized to evaluate projects. This method of evaluating projects includes direct and indirect initial costs, plus any periodic or continuing costs associated with operation and maintenance over the expected life of the project, expressed in comparable present day dollars.